

Hansard

[UK Parliament](#) > [Hansard](#) > [Commons: 15 December 2021](#) > [Commons Chamber](#) > [Postmasters with Overturned Convictions: Settlement Fun](#)

Postmasters with Overturned Convictions: Settlement Funds Volume 705: debated on Wednesday 15 December 2021

[Download text](#)

[Previous debate](#)

[Next debate](#)

Madam Deputy Speaker >

(Dame Rosie Winterton)

[Share](#)

Before this statement, I wish to make a short statement about the sub judice resolution. Mr Speaker has been advised that there are active legal proceedings in the Court of Appeal in respect of the quashing of convictions of postmasters that relied on evidence from the Post Office Horizon IT system. Mr Speaker is exercising the discretion given to the Chair in respect of the resolution on matters sub judice to allow full reference to those proceedings as they concern issues of national importance.

🕒 2.26pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy >

(Paul Scully)

[Share](#)

With permission, Madam Deputy Speaker, I will make a statement on the latest steps that the Government are taking to ensure that swift and fair compensation is made available to postmasters whose Horizon-related convictions are quashed.

The House is very well aware of the terrible impact felt by the many postmasters affected by issues with the Post Office's Horizon IT system. These distressing consequences have been widely documented both in the courts, in the 2019 group litigation order judgments, and in the more recent Court of Appeal judgments, as well as in the media. I have met postmasters personally to hear how their lives and the lives of their families have been affected by these events. No one who has heard these stories could fail to be moved by the impact that these events have had on individual postmasters' lives and their fight for justice over a number of years. I pay tribute to colleagues on both sides of the House who have supported postmasters in their efforts to expose the truth and see justice done.

Today I would like to take the opportunity to update the House on the latest steps the Government are taking to ensure that fair compensation is paid to postmasters with convictions that have been quashed due to Horizon evidence being essential to their prosecution. In the first instance, we worked with the Post Office to deliver interim payments of up to £100,000 for each eligible postmaster. I informed the House of the Government's decision to provide funding for these interim payments last July. Government funding was necessary because the Post Office does not have the necessary funds to deliver the appropriate compensation. That is why it turned to the Department for Business, Energy and Industrial Strategy, as its 100% shareholder, for funding of these interim payments.

I am pleased to report to the House that the interim payments are progressing well. The Post Office has received 66 applications for interim payments. Of these, 62 offers have been made, and of those, 50 have been accepted and payments made. Payments made to date have all been for the maximum interim amount of £100,000. I am pleased that these interim payments have helped to deliver an early down payment on the compensation due to affected postmasters in advance of full and final compensation packages being agreed. But that is only the first step. It is right that the focus now shifts to the agreement of full and final settlements. That is why the Government have been working with the Post Office to agree funding to facilitate the Post Office making final compensation

payments to postmasters. As I announced in a written ministerial statement to the House yesterday, the Government have now agreed to provide funding for that purpose. We are working with the Post Office to enable the final settlement negotiations to begin as soon as possible.

To be clear, the Post Office is not proposing a new compensation scheme to deliver full and final settlements. The Post Office is instead proposing to follow a process of alternative dispute resolution in which it will aim to agree an appropriate level of compensation with each postmaster, recognising the individual circumstances of each case. The Government support the Post Office in its aim of reaching fair settlements with postmasters via alternative dispute resolution, as we believe that this will lead to speedier delivery of compensation for postmasters.

I am not in a position to give significant detail today about this process, as the final detailed approach to these negotiations will need to be discussed and agreed between Post Office Ltd and individual postmasters and their representatives. I am sure that colleagues will agree that it is important that the Post Office listens to postmasters' views and that these are taken into account in how these negotiations proceed.

While it will be for the Post Office to negotiate settlements directly with claimants and their representatives, the Government will work closely with the Post Office to ensure that fair compensation is delivered. Given the impacts on so many individual lives, it is right that the Government stand behind the Post Office and provide this funding to ensure that fair compensation can be made to individuals who were wrongly prosecuted and convicted on the basis of unreliable Horizon evidence. While compensation cannot change what is past, it can provide a degree of recompense for past wrongs.

In addition to providing compensation, it is important that we learn lessons so that something similar can never happen again. That is why the Government have set up the Post Office Horizon IT inquiry and put it on a statutory footing to ensure that it has all the powers it needs to investigate what happened, establish the facts and make recommendations for the future. The inquiry has recently set out the full list of issues that it is investigating, and core participants have started to share key documents with the chair, Sir Wyn Williams, and his team. We will co-operate fully with the inquiry to ensure that the facts of what happened are established and lessons learned. I commend this statement to the House.

🕒 2.30pm

Jonathan Reynolds >

(Stalybridge and Hyde) (Lab/Co-op)

[Share](#)

I thank the Minister for his statement, and for providing advance sight of it before he came to the Chamber.

I believe we are in unanimous agreement across the House that the Horizon scandal has been a shocking injustice. In fact, I believe it is no exaggeration to say that it is one of the greatest scandals of modern times. It is a scandal that has blighted the lives of hundreds of sub-postmasters, but also their families and those who have worked with them. I join the Minister in paying tribute to those postmasters who have been relentless in their quest for justice, as well as all those in this House, including my hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah), and, in the other place, Lord Arbuthnot, for their work in this area.

Given that forensic accountants first went in to discover the truth in 2010, the Minister will appreciate how frustrating it has been for many people to see how protracted this fight for justice has been. Innocent hard-working people wrongly spending time behind bars is simply unconscionable, but to add insult to injustice, the Post Office then attempted to cover up its mistakes by shredding documents and then attempting to bury those seeking justice in endless legal battles. There is, frankly, no condemnation strong enough for such behaviour.

The Government are right to make this announcement. However, I think we must be clear that the Government are not paying this compensation out of the goodness of their heart, but quite simply because there is no other choice to take, given the unambiguous position and the finding in the Court of Appeal. Although we welcome the announcement, I want to press the Government on some key matters that I think need resolving to ensure that all those affected receive the compensation they deserve and that nothing like this can ever happen again.

First, will the Minister confirm that compensation is for everyone, including those who had civil as opposed to criminal processes against them? Surely the Government accept that justice must be available to all affected, not just those who faced criminal prosecution. Further, how many settlements does the Minister envisage being made in totality?

Secondly, will the Minister confirm that the compensation will not affect the Post Office's core funding, day-to-day operations or viability in any way, given the vital role it performs in all our communities?

Thirdly, the Government must acknowledge that all those involved in the initial mistakes and subsequent failures must also bear some responsibility, so will the Minister confirm that none of those involved have been rewarded with top senior jobs elsewhere?

Fourthly, as the Minister referenced the Post Office Horizon IT inquiry, what information can he give the House on the likely timescales that we can expect for further information as to its findings and report?

The shattering reality of this scandal will be felt in families and communities for years to come. The Government have made and taken the right step today, but I believe it will be one of many if we are ever to make amends for this most insidious injustice.

Paul Scully >

 [Share](#)

I welcome the hon. Gentleman to his place. He is right that we are not making the funding available from the goodness of our heart; we are doing so because it is the right thing to do. I do not think anybody—as well as being a Government Minister, I am a constituency MP and a human being—can read these cases and listen to those involved, and fail to be moved by what has happened over the last 20 years. The hon. Gentleman has asked a number of questions, so let me try to go through those.

A number of schemes are available, including the historical shortfall scheme, which the Post Office made public and wrote to a number of people about. About 2,500 people came forward, which was more than the Post Office thought would. That scheme is going through its process at the moment, and the Government are ensuring that it is pushed forward as quickly as possible. The Post Office has also written to 640 postmasters whose prosecution is believed to have had Horizon as a primary part; we will see what happens in terms of people coming back from that. The Court of Appeal will work through those appeals and the Post Office will go through the compensation process.

On the 555 who pioneered this work, I have said in my conversations with them and in correspondence that the settlement was full and final. However, I recognise what they have done and that none of this would have been possible without their work, and I will continue to work with them to see what we can do.

On the core funding that the hon. Gentleman talked about, this money is from government—it is from taxpayers—and it is separate. We have not paid for the Post Office's litigation costs. Compensation will not come from core funding.

The hon. Gentleman asked about the time of the inquiry, and I would expect Sir Wyn Williams to give an update on that as soon as possible. Clearly, we want it to go through as quickly as possible, but we want to make sure it is thorough. There is a lot of documentation and complexity after two decades, as the hon. Gentleman can imagine.

Mr Andrew Mitchell >

(Sutton Coldfield) (Con)

 [Share](#)

I am grateful to my hon. Friend for his statement. Will he reflect on the fact that this extraordinary miscarriage of justice has been made worse by the fact that the Post Office could use public money to overwhelm these honest and decent postmasters and postmistresses, so that their legitimate recompense is all, or at least partly, gobbled up by massive legal fees? On behalf of the Government, the Minister will want to reflect on why it has taken so long for them to acknowledge and accept what Members on both sides of the House have been calling for, for years and years—none more so than our former colleague the right hon. Lord Arbuthnot. Will the Minister say a little more about what will be done to hold to account those who so shamefully led the Post Office, and so grievously let down the honest men and women who worked for them?

Paul Scully >

 [Share](#)

I thank my right hon. Friend. As I said, the 555 sub-postmasters who were part of the High Court case performed a massive public service by exposing the wrongdoings within the Post Office, and I recognise the deep frustration at the fact that because they agreed that the settlement with the Post Office would be a full and final one, they do not qualify for these compensation schemes. I have met some of those people and, as I said, I will continue to work on what more we can do.

On the people who may be found liable, it is important that Sir Wyn Williams does his work, in an independent inquiry. I may have my own views, but it is not right for me, from this place, to be directing in one way or in one shape or form. I am hoping that he will get his work done quickly and as thoroughly as possible.

Ms Anum Qaisar >

(Airdrie and Shotts) (SNP)

[Share](#)

I thank the Minister for advance sight of his statement. I begin by paying tribute to all those hard-working people who have been fighting for justice. I welcome the announcement from the Minister, but we must be clear that the Department will ensure that losses made by the Post Office as a result of former postmasters' class action over the Horizon accounting software will not affect decisions on postmaster pay. I welcome his comments on that. The Horizon case has spanned decades, under consecutive Labour, Liberal and Tory Ministers, and is a stain on the Post Office. Given the issue of postmaster remuneration, with postmasters on less than the minimum wage at times, repayments to postmasters must not, after benefiting shareholders, hurt the postmasters themselves.

We in the Scottish National party were at the forefront of calls for a statutory judge-led inquiry, and Scots postmasters have also subsequently called for an inquiry. The Post Office attempted to appeal its loss in the first trial, which covered the contractual relationship between the Post Office and sub-postmasters. Judge Fraser found that there was a culture of secrecy and confidentiality generally in the Post Office, but particularly in respect of the Horizon accounting and retail system, which sub-postmasters used to run branches. This scandal has been widely reported for more than a decade. It is hard to understand how, in a company entirely held by the BEIS Secretary, this was allowed to continue for so long, and how the Post Office justified refusing to give information on those they were prosecuting in disclosure for fear that it would help the defence. What steps have Ministers from this Administration or previous Administrations taken to question the continuation of these prosecutions? What support will be given to those who continue this campaign?

Hundreds of postmasters running their local community businesses have been affected by this scandal. Many have lost their businesses. There must be full compensation, but can the Minister assure the House that the costs will be paid entirely by the UK Government, so that this is not used as another excuse to make cuts impacting postmasters, who have had to deal with this issue for years? Lastly, can the Minister confirm that all those responsible for the multitude of failings will be held to account?

Paul Scully >[Share](#)

I fully expect the first and third of the hon. Lady's questions to be dealt with by the statutory inquiry led by Sir Wyn Williams. It is important that he has the space, without my breathing down his neck, to look at this independently and objectively. We can agree that this scandal needs to be righted, and it must never happen again. In terms of the costs, the point of this statement and my previous statement about interim payments is that the Government will be supporting the compensation schemes financially. It is important, given its social value, that the Post Office has a real future, but it will only have a future if we sort out the past.

Lucy Allan >

(Telford) (Con)

[Share](#)

I thank the Minister for his statement and for the work he has done in getting to this stage. I also thank the Prime Minister, who has been engaged in this as well. The people who orchestrated this miscarriage of justice have paid no price. A series of Ministers who came to this place, read out their script, looked the other way and did not ask any questions contributed to the suffering, too, and we should all acknowledge that. I do not include the current Minister in that category.

The 555 sub-postmasters who so bravely took on the Post Office through the group litigation, paid for Mr Justice Fraser's judgment. Surely they should be allowed to be compensated on an equal footing, because it is they who exposed the wrongdoing. We should be thanking them and ensuring that they are compensated equally. Does the Minister agree?

Paul Scully >[Share](#)

What I have said is that everyone who has been wronged by this should have full and fair justice and full and fair compensation, and I absolutely acknowledge the role of the 555 in pioneering to get us to this position. I will continue to work to see what more we can do to work with the 555 to ensure that they are fully included in what I have just said about justice and compensation.

Mr Kevan Jones >

(North Durham) (Lab)

[Share](#)

First, I thank my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) for wiping me out of the campaign, or not recognising my contribution to the campaign over the past few years. I first got involved in this campaign 10 years ago. My constituent Tom Brown was accused of stealing £84,000, which he paid back. After two years, the Post Office dropped the case having bankrupted the individual. He was one of the 555, and without them and the discovery that went along with that, the deceit, the cover-up and the downright lies would not have been exposed. He will now only get £20,000. The Minister has moved this on more than his predecessors, but these people need access to that justice. They only settled because the Post Office used £100 million of public money to force them to the negotiating table. They cannot be left high and dry; they were the people who got to the truth around this. They need fully compensating, even if they just get back what they paid back. In Tom's case, that is £84,000 that the Post Office has that was never missing and is still in their coffers.

Paul Scully >[Share](#)

I recognise the right hon. Gentleman's work over the past 10 years and the conversations we have had on this. I just let him know that I very much hear exactly what he is saying. I totally empathise with what he is saying, and I will continue to work to that end.

John Redwood >

(Wokingham) (Con)

[Share](#)

I am grateful to the Minister for changing the policy. I have been a long-standing critic of past Governments and Ministers for not telling the Post Office to apologise and pay up, and I encourage him today to ensure that the Post Office apologises properly, and pays up quickly and generously.

Paul Scully >[Share](#)

My right hon. Friend is absolutely right. We will ensure that we lean into the Post Office to ensure that they deliver all compensation schemes quickly and equitably so that we can get this issue sorted out. The Post Office has acknowledged that it has done wrong, but the inquiry will detail the questions that it needs to answer over the next few months.

Andrew Gwynne >

(Denton and Reddish) (Lab)

[Share](#)

May I pay tribute to the fortitude and persistence of Della Ryan, the former sub-postmistress at Dukinfield? Sub-postmasters and mistresses were ostracised, persecuted and prosecuted by the state. They lost their businesses, their mental health and physical health deteriorated, and some lost relationships. Compensation is a drop in the ocean compared to the decade of hell that they have been through, but how many people does the Minister expect to receive compensation? Some 555 took part in the litigation, but he said that only 66 had so far made applications for compensation. Why is there such a big gap?

Paul Scully >[Share](#)

The 66 people who have applied are those who had been convicted. There is clearly a wider group who have lost money, as we heard earlier from the constituent of the right hon. Member for North Durham (Mr Jones). There are various compensation schemes for people who have had shortfalls and for those who have had convictions overturned—the 66 people I mentioned. The hon. Member for Denton and Reddish (Andrew Gwynne) is absolutely right that we need to acknowledge not just the financial losses—as bad as they are—but the impact on mental health, the strains, people’s ostracisation from communities, and, in some cases, the deaths.

Paul Howell >

(Sedgefield) (Con)

[Share](#)

As a member of the Business, Energy and Industrial Strategy Committee, I have listened to some of the harrowing tales about what has gone on in this situation, and I am sure that the issue will come back to the Committee at a later point.

One of the biggest failings was the attitude of the Post Office throughout, including the culture of denial. Will the Minister assure us that the Post Office itself has been challenged to ensure that that culture changes and we do not see such a situation again? As has been said, the sooner that we can get payments to these people, the better. We cannot let it drag on forever; it must be as quick and prompt as possible.

Paul Scully >[Share](#)

I look forward to coming to my hon. Friend’s Select Committee next month to discuss the issue further. The Post Office has acknowledged that there have been wrongs in the past. There still remain issues that we discuss, but discussions can become too legalistic, when what the wronged postmasters actually want is more empathy; we will continue to work to that end. As my hon. Friend says, we want to ensure that we bring this matter to a swift and fair end.

Stephanie Peacock >

(Barnsley East) (Lab)

[Share](#)

Postmasters were criminalised by a culture that assumed that technology could not fail and workers were dishonest, so will the Minister tell us what steps the Government are taking to ensure that a scandal like this cannot happen again?

Paul Scully >[Share](#)

These questions have been addressed not just in the original Justice Fraser report, which talked about the technology and the Horizon software; Sir Wyn Williams also has technical advisers to his independent inquiry to give him advice on the recommendations that he may want to make. We will indeed ensure that the software, which has been improved—there have been iterations since the last of the prosecutions—continues to improve. Indeed, I would expect it to be replaced at some point.

Mr David Davis >

(Haltemprice and Howden) (Con)

[Share](#)

The Horizon scandal obviously ruined many hundreds of lives, and the whole House will welcome the Government stepping in to meet the bill for compensation. However, the involvement of the Treasury in previous compensation schemes—Equitable Life comes to mind, but others too—has not always been wholly beneficial. Does my hon. Friend agree that we must not allow arbitrary Treasury rules to limit the compensation paid to these postmasters, whose lives have often been completely ruined by the process—not simply the financial process, but the emotional and social damage?

Paul Scully >[Share](#)

My right hon. Friend makes an important point. Clearly the Treasury has these rules to make sure it gets the best value for taxpayers' money but, none the less, some things go beyond that. We have talked about the human cost now and umpteen times over the past 20 years, and it is important we get this right.

Gareth Thomas >

(Harrow West) (Lab/Co-op)

[Share](#)

On the watch of the former Post Office managing director Mr Alan Cook, now the very well-paid chair of Liverpool Victoria, I understand more than 160 sub-postmasters were prosecuted and almost 60 went to prison. I hope the Minister is able to say how many of those sub-postmasters will be compensated and whether Mr Cook has been invited to give evidence to Sir Wyn Williams's inquiry.

Specifically, does the Minister share my view that, for that record as well as his ill-judged effort to demutualise LV=, there are questions as to whether Mr Cook is any longer a fit and proper person to run a major business?

Paul Scully >[Share](#)

I will not comment on Alan Cook, if the hon. Gentleman does not mind, but I recognise what he says about this statement, previous statements and Liverpool Victoria. Such issues will be a matter for Sir Wyn's inquiry.

On the convictions, the Post Office has received 66 claims for interim payments and has made 62 offers, of which 50 have been accepted. There are people with convictions that they believe to be unsafe, and the Post Office has contacted 640 people. The Criminal Cases Review Commission has said those people can go directly to the Court of Appeal to seek the overturning of those convictions. We will see how many come forward, but it is difficult for me to give an exact figure.

Jason McCartney >

(Colne Valley) (Con)

[Share](#)

I have been contacted by a constituent who was among the 555 litigants in the civil proceedings brought against Post Office Ltd back in 2018-19. Of course, as we have heard, those litigants are excluded from the current compensation schemes. What redress, support and compensation does the Minister think my constituent and the other original litigants actually deserve?

Paul Scully >[Share](#)

I have said that the majority of them are pioneers, and I need to do more work with them. I say "the majority" because some of the 555 were convicted themselves and will potentially have unsafe convictions, so they will be eligible for the interim payment of £100,000 and will move on to the wider compensation that we are discussing today.

Aaron Bell >

(Newcastle-under-Lyme) (Con)

[Share](#)

The Horizon scandal is one of the worst we have seen, and the wider Government—not just the Post Office—particularly need to learn the lessons on how to treat IT evidence. I welcome the statement and the approval of these funds, but does the Minister agree that the Post Office must now make significant cultural and organisational changes to repair the relationship with postmasters and to make sure that such a situation can never be repeated?

Paul Scully >[Share](#)

I appreciate my hon. Friend's words and, yes, the Post Office must do that, and it is. Nick Read, the chief executive, has come a long way to give the Post Office that future by resetting the relationship with postmasters and sub-postmasters. There is clearly more to do, but we will best provide that future by giving sub-postmasters the confidence and trust they need by righting the wrongs of the past.

Mark Pawsey >

(Rugby) (Con)

[Share](#)

In a Select Committee evidence session in 2019 we heard from postmasters affected by the Horizon debacle, and we heard harrowing accounts of small family enterprises—often a husband and wife—working through the night to go through the books to find losses that did not exist because the computer system did not work. I welcome the interim compensation payments that the Minister has announced today. Will he say a bit more about the Government's role? In their response to the Committee's report, the Government acknowledged their own responsibility

“to have visibility of and challenge Post Office Ltd's major operational and strategic decisions to ensure the sustainability of the network is maintained and that good corporate governance and financial stewardship practices are upheld.”

On that basis, does he believe the Government should have grasped the situation earlier and acted more decisively? What improvements are being made to make certain that postmasters are never again placed in this position?

Paul Scully >[Share](#)

First, I believe we now have robust monitoring not just of the compensation schemes but of the future relationship with the Post Office and postmasters. That is exactly what Sir Wyn Williams's inquiry is there to find out—not just the Post Office's role, but the Government's role. If we have fallen short of expectations, I expect to put my hands up and say we got it wrong.

Duncan Baker >

(North Norfolk) (Con)

[Share](#)

As a former postmaster—I think probably the only one in the House—I really welcome this statement. It ought to be placed on the record that the Minister has done more than anyone else in his position to doggedly pursue this issue, and many, many people out there who are affected will be very grateful for this news.

I want to touch on two aspects. On the £100,000 that has been paid to those who have had their convictions quashed, will there be a cap on the amount paid out as compensation? Can he give any further reassurance on when the full and final settlements will be made?

Paul Scully >[Share](#)

I appreciate my hon. Friend's kind words. The £100,000 has gone out as interim compensation. The full and final compensation will not be capped but will be worked out on an individual basis, because everybody is an individual and we have heard so many different examples of that.

As for people in different types of compensation schemes, we want to get this done as quickly as possible. I hope and expect that the historical shortfall scheme will be done by the end of next year. I will continue to work with everybody on this matter, because it is so important. I know that they want this sorted out tomorrow; there are complications, but people continue to suffer and I will do everything I can. My new year's resolution—I will make it early—is that I will get this sorted out as soon as I can.

Jonathan Reynolds >[Share](#)

On a point of order, Madam Deputy Speaker.

Madam Deputy Speaker >

(Dame Rosie Winterton)

 [Share](#)

As long as it is related to the previous statement.

Jonathan Reynolds >

 [Share](#)

It is. My hon. Friend for North Durham—

Mr Kevan Jones >

(North Durham) (Lab)

 [Share](#)

Right honourable Friend.

Jonathan Reynolds >

 [Share](#)

My right hon. Friend—it has been a busy week—did, of course, play a major role in the postmasters' campaign. He was quite right to object to my failure to mention him, and I would like to apologise to him for that.

Madam Deputy Speaker >

 [Share](#)

That is not entirely a point of order or a matter for the Chair, but the hon. Gentleman has put his thanks and his apology on the record.

© UK Parliament 2024

[Cookie policy](#)

[Cookie settings](#)

[Privacy notice](#)

[Accessibility statement](#)